



Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, OCTOBER 22, 2004
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WISCONSIN CASE YIELDS GUILTY PLEAS ON CHARGES TO DEFRAUD THE FEDERAL E-RATE PROGRAM

Two Pakistani Citizens Face Incarceration in the U.S.

WASHINGTON, D.C. – Qasim Bokhari and Haider Bokhari today pleaded guilty to charges of conspiracy, fraud, and money laundering involving a federal program, E-Rate, that subsidizes telecommunications services, Internet access and internal computer and communications networks to disadvantaged schools and libraries, the Department of Justice announced. Each faces a possible maximum sentence of deportation and up to 20 years of incarceration.

Today's guilty pleas resolves the Department's charges against these two individuals.

"The E-Rate Program was designed to assist the children in our nation's neediest schools and we are committed to pursuing prison terms for those who would corrupt this program for personal gain," said R. Hewitt Pate, Assistant Attorney General in charge of the Department's Antitrust Division.

On September 23, 2004, a federal grand jury in Milwaukee returned a superseding indictment against Qasim Bokhari, the owner and president of a Virginia computer consulting company, and his two brothers, Haider Bokhari, and Raza Bokhari, who acted as agents of the company. Each of these individuals was originally charged in a March 16, 2004 indictment filed under seal and unsealed after the arrest of Qasim Bokhari and Haider Bokhari on April 1, 2004. At the time of their arrest, citing the risk of flight, the court ordered Qasim Bokhari and Haider

Bokhari, both citizens of Pakistan, to be held in prison pending trial. The third brother, Raza Bokhari, a naturalized U.S. citizen, is a fugitive from justice.

The superseding indictment included the original charges of one count of conspiracy to commit mail fraud, three counts of mail fraud, one count of conspiracy to commit money laundering, and one count of money laundering against Qasim Bokhari and Haider Bokhari. As to Raza Bokhari, the superseding indictment included the original charge of one count of conspiring to commit money laundering and added one count of conspiring to commit mail fraud, three counts of mail fraud, and one count of money laundering against him. The superseding indictment also added certain additional allegations concerning the schools for which E-Rate funding was sought but not obtained.

According to court papers, in 2001, Qasim Bokhari and his company submitted applications for E-Rate Program funding on behalf of 21 schools in the Milwaukee and Chicago areas totaling more than \$16 million. Qasim Bokhari and his company eventually received more than \$1.2 million for goods and services that were not provided to three of these schools.

Additionally, according to the charges, Qasim Bokhari, Haider Bokhari, and Raza Bokhari conspired to conduct numerous financial transactions involving the proceeds of the fraud to conceal and disguise the source of the proceeds. These alleged financial transactions include wiring more than \$600,000 to Pakistan, purchasing a residence in Kenosha, Wisconsin, and acquiring several automobiles.

The conspiracy to commit mail fraud charge and three mail fraud charges, in violation of 18 U.S.C. §§ 371 and 1341, brought against Qasim Bokhari, Haider Bokhari, and Raza Bokhari each carry a maximum penalty per count of five years in jail, one year of supervised release, and a \$250,000 fine. The maximum fine may be increased to twice the gain derived from the crime

or twice the loss suffered by the victim of the crime, if either of those amounts is greater than the statutory maximum fine.

The superseding indictment also charges all three individuals with money laundering and conspiracy to commit money laundering, in violation of 18 U.S.C. §§ 1956(a) and 1956(h). The money laundering conspiracy and substantive money laundering charges each carry a maximum penalty of 20 years in prison, three years of supervised release, and the greater of a \$500,000 fine or twice the value of the property involved in the transactions.

The investigation was conducted jointly by the Department's Antitrust Division, the Federal Bureau of Investigation, the Criminal Investigation Division of the Internal Revenue Service, and the Inspector General's Office of the Federal Communications Commission, with assistance from the U.S. Attorney's Office for the Eastern District of Wisconsin.

"The result in this case demonstrates the outstanding working relationship between the FCC Office of Inspector General and the Antitrust Division of the Department of Justice. We remain committed to supporting the investigation and prosecution of individuals who defraud this program," said Thomas D. Bennett, FCC Assistant Inspector General for Universal Service Fund Oversight.

The guilty pleas announced today resulted from an ongoing investigation by the Antitrust Division and the Federal Communications Commission of unlawful conduct concerning the E-Rate Program. Anyone with information concerning bid rigging, fraud, kickbacks, bribery, or other crimes related to the E-Rate Program should contact the Chicago Field Office of the Antitrust Division at 312-353-7530.

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